GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:108
ANSWERED ON:24.10.2008
DEBT WAIVER SCHEME- REDRESSAL OF GRIEVANCES
Bose Shri Subrata;Shukla Smt. Karuna

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has formulated any scheme for inclusion of farmers in the debt waiver scheme who have taken loan from the private money lenders;

(b) if so, the details thereof and if not, the reasons therefor;

(c) whether the Government has received memorandum/suggestions from Public/State Governments to expand the scope of the debt waiver scheme;

(d) if so, the details thereof and the action taken thereon;

(e) the details of the guidelines issued by the Government to banks to put the list of beneficiaries on the notice board;

(f) the period covered by the loan waiver scheme;

(g) whether the Government has set up any mechanism for monitoring the implementation of the scheme and the Grievance Cell to mitigate the problems being faced by the farmers; and

(h) if so, the details thereof?

Answer

THE MINISTER OF FINANCE (SHRI P.CHIDAMBARAM)

(a) to (h) : A Statement is laid on the Table of the Lok Sabha.

Statement referred to in reply to Parts (a) to (h) of Lok Sabha Starred Question No. 108 to be answered on 24th October, 2008 regarding Debt Waiver Scheme − Redressal of Grievances, tabled by Shri Subrata Bose and Shrimati Karuna Shukla.

(a) & (b) : Agricultural Debt Waiver and Debt Relief (ADWDR) Scheme 2008 does not cover loans taken by farmers from private money lenders. Money lending is regulated by the legislation of the concerned States. Besides, unlike institutional credit, in the case of debt due to moneylenders, there are issues of authenticity, documentation, etc.

(c) & (d) : The Government received a number of suggestions from various quarters to expand the scope of the ADWDR Scheme. After considering the suggestions the Guidelines were issued, in May 2008, expanding the scope of the Scheme, as follows:

(i) A special dispensation has been given to the other farmers of the districts falling under Drought Prone Area Programme (DPAP), Desert Development Programme (DDP) and Prime Minister's Special Relief Package. As against a One Time Settlement (OTS) relief of 25 per cent of the overdues, announced in the Budget Speech, the Guidelines provided, in those districts, for a relief upto Rs.20,000 or 25 per cent of the overdues, whichever was higher.

(ii) The Guidelines brought within its ambit loans provided directly to groups of individual farmers (for example Self-Help Group or Joint Liability Groups) provided the lending institutions maintained disaggregated data of the loan extended to each farmer belonging to that group. This requirement of maintenance of data by the lending institutions was further relaxed to cover individual farmers of groups where disaggregated data of the loan to each farmer belonging to that group is maintained at the level of the group itself, subject to the satisfaction of the lending institutions.

(e) : The Guidelines of ADWDR Scheme provide that every branch of a Scheduled Commercial Bank, Regional Rural Bank, Cooperative Credit Institution, Urban Cooperative Bank and Local Area Bank covered under this Scheme shall prepare two lists, one consisting of 'small and marginal farmers' who are eligible for debt waiver and the second consisting of 'other farmers' who are eligible for debt relief under this Scheme. The lists shall include particulars of the landholding, the eligible amount and the amount of debt waiver or debt relief proposed to be granted in each case. The lists shall be displayed on the notice board of the branch of the bank/society on or before June 30, 2008.

(f) : All direct agricultural loans disbursed by the lending institutions during the period 01st April, 1997 to March 31, 2007, overdue as

on December 31, 2007 and which remained unpaid until February 29, 2008 are covered under the scheme. Besides, the Government of India, through the special packages announced in 2004 and 2006, provided a facility to the farmers wherein their overdue loans were restructured/rescheduled and they were made eligible for fresh loans. The Scheme covers all such restructured agricultural loans and also such loans restructured in the normal course as per Reserve Bank of India Guidelines even if they were disbursed prior to 01.04.1997 and restructured thereafter.

(g) & (h) : As provided in the Guidelines of ADWDR Scheme, a National Level Monitoring Committee has been constituted to monitor its implementation. The Guidelines also provide that every lending institution shall appoint one or more Grievance Redressal Officers (GROs) for each State (having regard to the number of branches in that State). The name and address of the GRO concerned shall be displayed in each branch of the lending institution. The GRO shall have the authority to receive representations from aggrieved farmers and pass appropriate orders thereon. Any farmer who is aggrieved on the ground that his name has not been included in either of the two lists referred to in paragraph (e) above or on the ground that his name has been included in the wrong list or on the ground that the relief granted to him has been calculated wrongly, may make a representation through the branch from which he received the loan or directly to the GRO of the lending institution concerned and every such representation shall be disposed of within 30 days of receipt thereof.